

**SYNDICATED PROPERTY INVESTMENT
FEASIBILITY REPORT
DATA INFORMATION**

Property Purchase Information

Purchase Price	700,000
Stamp Duty	29,965
Settlement & Registration Fees	1,500
Lawyers Set-up Costs	2,000
Bank Loan Set-up Costs	1,200
Quantity Surveyors Report (DEPPRO)	600
Furniture & Fittings	25,000
Administration Establishment Fee	2.50%

Estimate % Increase in Capital Growth (pa)

5.00%	12.50%
7.50%	15.00%
10.00%	

Estimated Rental

	Per Week	Per Annum	With Vacancy
Bed 1	170	8,840	8,398
Bed 2	140	7,280	6,916
Bed 3	140	7,280	6,916
Bed 4	140	7,280	6,916
Studio	300	15,600	14,820
Total Rents Collected	890	46,280	43,966

Vacancy Rates

5%

CPI

3%

Expenses

Advertising	29.70	Per month
Accounting Fees - Property Syndicate	2,500	Per annum
Bookkeeping - Brooke Stone	200	Per month
Council Rates & Water Rates	2,500	Per annum
Letting Fees (Weekly Rent times)	1.77	
Insurance	600	Per annum
Postage & Petties	13	per month
Management Fees	10%	
Inspections	\$100	Per quarter
Property Condition Report	\$330	Per annum
Repairs & Maintenance	2,000	Per annum

Capital Work & Capital Allowance Deductions

(Report to be prepared by DEPPRO)

Capital Works	1.00%	Cost of Property
Depreciation	0.50%	Cost of Property

Property Loan Structure

Total Cost of Property	760,265	
Issued Units	400,000	
Bank Funding Required*	377,765	54% LVR
*(Actual Borrowing)	400,000	

Interest Rates - 5 Yr Investment Loan - (Interest Only)

5.00%

Property Sale Information

Commissions - Flat Rate	15,000
Settlement Costs	2,000
Fund Management Success Fee*	2.50%

(The Success fee is based on the Fund performance and is paid an incentive to maximise profit)

**SYNDICATED PROPERTY INVESTMENT
FEASIBILITY REPORT
ANNUAL PROFIT AND LOSS BUDGET**

	2010	2011	2012	2013	2014
	\$	\$	\$	\$	\$
Income					
Rents Collected	43,966	45,285	46,644	48,043	49,484
Expenses					
Advertising	356	367	378	389	401
Accounting Fees	2,500	2,575	2,652	2,732	2,814
Capital Works	7,000	7,000	7,000	7,000	7,000
Council Rates & Water Rates	2,500	2,575	2,652	2,732	2,814
Depreciation	3,500	3,500	3,500	3,500	3,500
GST	440	453	466	480	495
Letting Fees	1,497	1,541	1,588	1,635	1,684
Insurance	600	618	637	656	675
Interest	18,888	18,888	18,888	18,888	18,888
Postage & Petties	158	163	168	173	178
Management Fees	4,397	4,528	4,664	4,804	4,948
Inspections	400	412	424	437	450
Property Condition Report	330	340	350	361	371
Repairs & Maintenance	2,000	2,060	2,122	2,185	2,251
	44,566	45,021	45,490	45,973	46,471
Net Profit/(Loss)	(600)	264	1,153	2,070	3,013
Carry Forward Losses	(600)	(336)	817	2,887	5,900

**SYNDICATED PROPERTY INVESTMENT
FEASIBILITY REPORT
PROPERTY CAPITAL GROWTH %**

Return	2010	2011	2012	2013	2014
	\$	\$	\$	\$	\$
5.00%	735,000	771,750	810,338	850,854	893,397
7.50%	752,500	808,938	869,608	934,828	1,004,941
10.00%	770,000	847,000	931,700	1,024,870	1,127,357
12.50%	787,500	885,938	996,680	1,121,265	1,261,423
15.00%	805,000	925,750	1,064,613	1,224,304	1,407,950

**SYNDICATED PROPERTY INVESTMENT
FEASIBILITY REPORT
TAXABLE CAPITAL GAINS %**

	5.00%	7.50%	10.00%	12.50%	15.00%
Sales					
Property Sale	893,397	1,004,941	1,127,357	1,261,423	1,407,950
Less Cost Base					
Property Purchase	777,765	777,765	777,765	777,765	777,765
Selling Costs	17,000	17,000	17,000	17,000	17,000
Fund Manager Success Fee	22,335	25,124	28,184	31,536	35,199
Capital Works Add Back	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)
	782,100	784,889	787,949	791,301	794,964
Capital Gain	111,297	220,052	339,408	470,122	612,986
Taxation					
Active Asset Discount - 50%	55,649	110,026	169,704	235,061	306,493
Losses Applied	5,900	5,900	5,900	5,900	5,900
Taxable Income	61,549	115,926	175,604	240,961	312,393
Tax - 30%	18,465	34,778	52,681	72,288	93,718

**SYNDICATED PROPERTY INVESTMENT
FEASIBILITY REPORT
ANNUAL CASH FLOW BUDGET**

15% CAPITAL GROWTH							
	2009	2010	2011	2012	2013	2014	2015
Opening Cash Balance	-	22,235	32,135	42,899	54,552	67,122	80,635
Operating Activities							
Cash Flows from Operating Activities							
- Rents Collected		43,966	45,285	46,644	48,043	49,484	
- Payments to Suppliers		(15,178)	(15,633)	(16,102)	(16,585)	(17,083)	
	0	28,788	29,652	30,542	31,458	32,402	0
Financing Activities							
Cash Flows from Financing Activities							
- Bank Loan Funds Received	400,000						
- Payment of Loan (Interest)		(18,888)	(18,888)	(18,888)	(18,888)	(18,888)	
- Bank Loan Repaid							(400,000)
	400,000	(18,888)	(18,888)	(18,888)	(18,888)	(18,888)	(400,000)
Investment Activities							
Cash Flows from Investment Activities							
- Issued Units to Investors	400,000						
- Sale of Property							1,407,950
- Purchase of Property	(777,765)						(52,199)
- Sale of Property Costs							(93,718)
- Taxation							
	(377,765)	0	0	0	0	0	1,262,033
Net Cash Flow/(Outflow)	22,235	9,900	10,764	11,653	12,570	13,513	862,033
Closing Cash Balance	22,235	32,135	42,899	54,552	67,122	80,635	942,669
Distributions							
- Shares Sold							400,000
- Dividend							542,669
Total							942,669

